

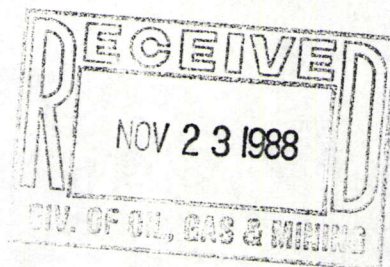
Umetco Minerals Corporation



P.O. BOX 1029 • GRAND JUNCTION, COLORADO 81502
☎ (303) 245-3700

November 22, 1988

Lowell Braxton
State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203



Dear Mr. Braxton,

Enclosed are four executed Surety Bonds to cover the reclamation on the properties acquired recently from Atlas Minerals Corporation.

They are:

Permit Number M/037, Calliham Mine
Permit Number M/037/006, Rim-Columbus Mine
Permit Number M/037/012, Pandora Mine
Permit Number M/037/040, Velvet Mine

The transfers of the Notices of Intention have already been submitted to the Division.

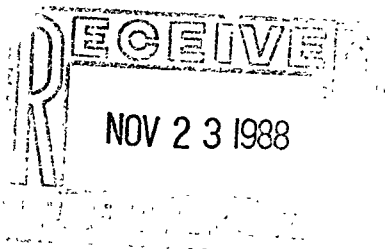
Thank you for your consideration and attention to this matter.

Very truly yours,

G. F. Yoder
Land Manager

GFY/dj

Encl.

(August 1985)
(Noncoal)Bond Number _____
Permit Number M/037/040STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
(801) 538-5340

THE MINED LANDS RECLAMATION ACT

BOND

The undersigned Umetco Minerals Corporation
as principal, and Seaboard Surety Company as
surety, hereby jointly and severally bind ourselves, our heirs, administrators,
executors, successors and assigns unto the State of Utah, Division of Oil, Gas
and Mining in the penal sum of Sixty Two Thousand Five Hundred Thirty Five
and no/100 dollars (\$ 62,535.00).

The principal estimated in the Mining and Reclamation Plan filed with the
Division of Oil, Gas and Mining on the 26th day of February
19 82, that 27.9 acres of land will be disturbed
by this mining operation in the State of Utah. A description of the disturbed
land is attached hereto as Exhibit "A."

When the Division has determined that the principal has satisfactorily
reclaimed the above-mentioned lands affected by mining in accordance with the
approved Mining and Reclamation Plan and has faithfully performed all
requirements of the Mined Land Reclamation Act, and complied with the Rules
and Regulations adopted in accordance therewith, then this obligation shall be
void; otherwise it shall remain in full force and effect until the reclamation
is completed as outlined in the approved Mining and Reclamation Plan.

If the approved plan provides for reclamation of the land affected on a
piecemeal or cyclic basis, and the land is reclaimed in accordance with such
plan, then this bond may be reduced periodically.

In the converse, if the plan provides for a gradual increase in the area
of the land affected or increased reclamation work, then this bond may
accordingly be increased with the written approval of the surety company.

PROVIDED FURTHER, the surety herein shall have the right to cancel this bond at
any time upon giving the principal herein and the Utah Department of Natural
Resources at least thirty (30) days prior notice of its desire so to do, such
cancellation, however, shall not affect its liability as to any amounts then due
or thereafter to become due hereunder as the result of mining occurring prior to
the date of cancellation specified in such notice.

NOTE: Where one signs by virtue of Power of Attorney for a surety company, such Power of Attorney must be filed with this bond. If the principal is a corporation, the bond shall be executed by its duly authorized officer.

Dated this 15th day of November, 19 88.

State of Utah
Board of Oil, Gas and Mining

Gregory P. Williams, Chairman

Umetco Minerals Corporation
Principal (Company)

By E. W. Shortridge
Company Officer - Position
E. W. Shortridge, Director of Operations

Date: _____

Seaboard Surety Company
Surety (Company)

By Natalie Reingold
Surety Company Officer - Position
Natalie Reingold, Attorney-In-Fact

DATE: November 15, 1988

APPROVED AS TO FORM:

By _____
Assistant Attorney General

AFFIDAVIT OF QUALIFICATION

Natalie Reingold, being first duly sworn, on oath deposes and says that he/she is the (officer or agent) Attorney-In-Fact of said Surety Company, and that he/she is duly authorized to execute and deliver the foregoing obligations; that said Surety Company is authorized to execute the same and has complied in all respects with the laws of Utah in reference to becoming sole surety upon bonds, undertakings and obligations.

Seaboard Surety Company

(Signed)

Natalie Reingold
Surety Company Officer - Position

Natalie Reingold, Attorney-In-Fact

Subscribed and sworn to before me this 15th day of November, 19 88.

Vincent Moy
Notary Public

My Commission Expires:

VINCENT MOY
Notary Public, State of New York
No. 41-4926962
Qualified in Queens County
Commission Expires April 25, 1990

EXHIBIT A

LEGAL DESCRIPTIONS - VELVET MINE

Part of Section 3, Township 31 South, Range 25 East, S.L.B.M.
San Juan County, Utah

(The Mining and Reclamation Plans are on file with the Division
of Oil, Gas, and Mining)

No. 2016

ADMINISTRATIVE OFFICES, BEDMINSTER, NEW JERSEY

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That SEABOARD SURETY COMPANY, a corporation of the State of New York, has made, constituted and appointed and by these presents does make, constitute and appoint Natalie Reingold or Virginia F. McIntosh or Victoria M. Gonsalves or Mary R. McKee or Vincent Moy of New York, New York

its true and lawful Attorney-in-Fact, to make, execute and deliver on its behalf insurance policies, surety bonds, undertakings and other instruments of similar nature as follows:

Without Limitations

Such insurance policies, surety bonds, undertakings and instruments for said purposes, when duly executed by the aforesaid Attorney-in-Fact, shall be binding upon the said Company as fully and to the same extent as if signed by the duly authorized officers of the Company and sealed with its corporate seal; and all the acts of said Attorney-in-Fact, pursuant to the authority hereby given, are hereby ratified and confirmed.

This appointment is made pursuant to the following By-Laws which were duly adopted by the Board of Directors of the said Company on December 8th, 1927, with Amendments to and including January 15, 1982 and are still in full force and effect:

ARTICLE VII, SECTION 1:

"Policies, bonds, recognizances, stipulations, consents of surety, underwriting undertakings and instruments relating thereto.

Insurance policies, bonds, recognizances, stipulations, consents of surety and underwriting undertakings of the Company, and releases, agreements and other writings relating in any way thereto or to any claim or loss thereunder, shall be signed in the name and on behalf of the Company

(a) by the Chairman of the Board, the President, a Vice-President or a Resident Vice-President and by the Secretary, an Assistant Secretary, a Resident Secretary or a Resident Assistant Secretary; or (b) by an Attorney-in-Fact for the Company appointed and authorized by the Chairman of the Board, the President or a Vice-President to make such signature; or (c) by such other officers or representatives as the Board may from time to time determine.

The seal of the Company shall if appropriate be affixed thereto by any such officer, Attorney-in-Fact or representative."

IN WITNESS WHEREOF, SEABOARD SURETY COMPANY has caused these presents to be signed by one of its Vice-Presidents, and its corporate seal to be hereunto affixed and duly attested by one of its Assistant Secretaries, this 10th day of March, 19 87



Attest:

(Seal)

Lia A. Rillo

Assistant Secretary

SEABOARD SURETY COMPANY,

By

Michael B. Keegan

Vice-President

STATE OF NEW JERSEY
COUNTY OF SOMERSET

ss.:

On this 10th day of March, 19 87, before me personally appeared Michael B. Keegan a Vice-President of SEABOARD SURETY COMPANY, with whom I am personally acquainted, who, being by me duly sworn, said that he resides in the State of New Jersey; that he is a Vice-President of SEABOARD SURETY COMPANY, the corporation described in and which executed the foregoing instrument; that he knows the corporate seal of the said Company; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said Company; and that he signed his name thereto as Vice-President of said Company by like authority.

(Seal) FELICE M. CATALANO
NOTARY PUBLIC OF NEW JERSEY
My Commission Exp. June 4, 1991

CERTIFICATE

I, the undersigned Assistant Secretary of SEABOARD SURETY COMPANY do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy, is in full force and effect on the date of this Certificate and I do further certify that the Vice-President who executed the said Power of Attorney was one of the Officers authorized by the Board of Directors to appoint an attorney-in-fact as provided in Article VII, Section 1, of the By-Laws of SEABOARD SURETY COMPANY.

This Certificate may be signed and sealed by facsimile under and by authority of the following resolution of the Executive Committee of the Board of Directors of SEABOARD SURETY COMPANY at a meeting duly called and held on the 25th day of March 1970.

"RESOLVED: (2) That the use of a printed facsimile of the corporate seal of the Company and of the signature of an Assistant Secretary on any certification of the correctness of a copy of an instrument executed by the President or a Vice-President pursuant to Article VII, Section 1, of the By-Laws appointing and authorizing an attorney-in-fact to sign in the name and on behalf of the Company surety bonds, underwriting undertakings or other instruments described in said Article VII, Section 1, with like effect as if such seal and such signature had been manually affixed and made, hereby is authorized and approved."

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of the Company to these presents this 15th day of November, 19 88



Elizabeth Dylwicz
Assistant Secretary
Form 957 (Rev. 7/84)

SEABOARD SURETY COMPANY

ADMINISTRATIVE OFFICES: BEDMINSTER, NEW JERSEY

FINANCIAL STATEMENT—JUNE 30, 1986

ASSETS

*Stocks and Bonds.....	\$122,440,194.
Cash in Office & Banks.....	(3,356,656.)
Accrued Interest & Dividends.....	2,619,257.
Outstanding Premiums.....	(3,690,208.)
Accounts Receivable.....	<u>4,676,147.</u>

Total Admitted Assets..... \$122,688,734

LIABILITIES

Reserve for Unearned Premiums.....	\$ 35,888,371.
Claim Reserves.....	19,546,558.
Other Reserves.....	8,396,635.
Capital Stock.....	2,500,000.
Surplus	<u>56,357,170.</u>

Total Liabilities..... \$122,688,734

* Bonds and stocks are valued on basis approved by National Association of Insurance Commissioners.
Securities carried at \$7,082,599 in the above statement are deposited for the purpose required by law.

STATE OF NEW JERSEY }
COUNTY OF SOMERSET } ss.:

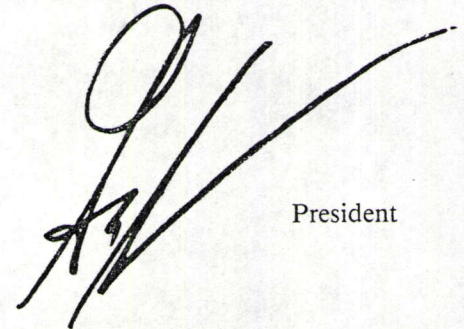
I, G. F. THOMPSON, President of SEABOARD SURETY COMPANY, do hereby certify that the foregoing is a full, true and correct copy of the Financial Statement of said Company, as of June 30, 1986.

IN WITNESS WHEREOF, I have signed this statement at New York, New York, this ..15th..... day of

..... November, 19. 88.....



Revised Form 157


President